

Over the last few years, ESG has become an increasingly important factor in assessing both investment and risk mitigation opportunities within the investment management industry. Most sophisticated pools of capital have committed to ESG integration by hiring or appointing ESG leaders — some of whom assume the role in addition to their existing portfolio — and creating a structure in which they report to the CEO, CIO or the investment committee. While it's gratifying to see so many investment managers on the ESG path, what if there was a way to amplify the extent to which ESG integration could positively impact the organization at large?

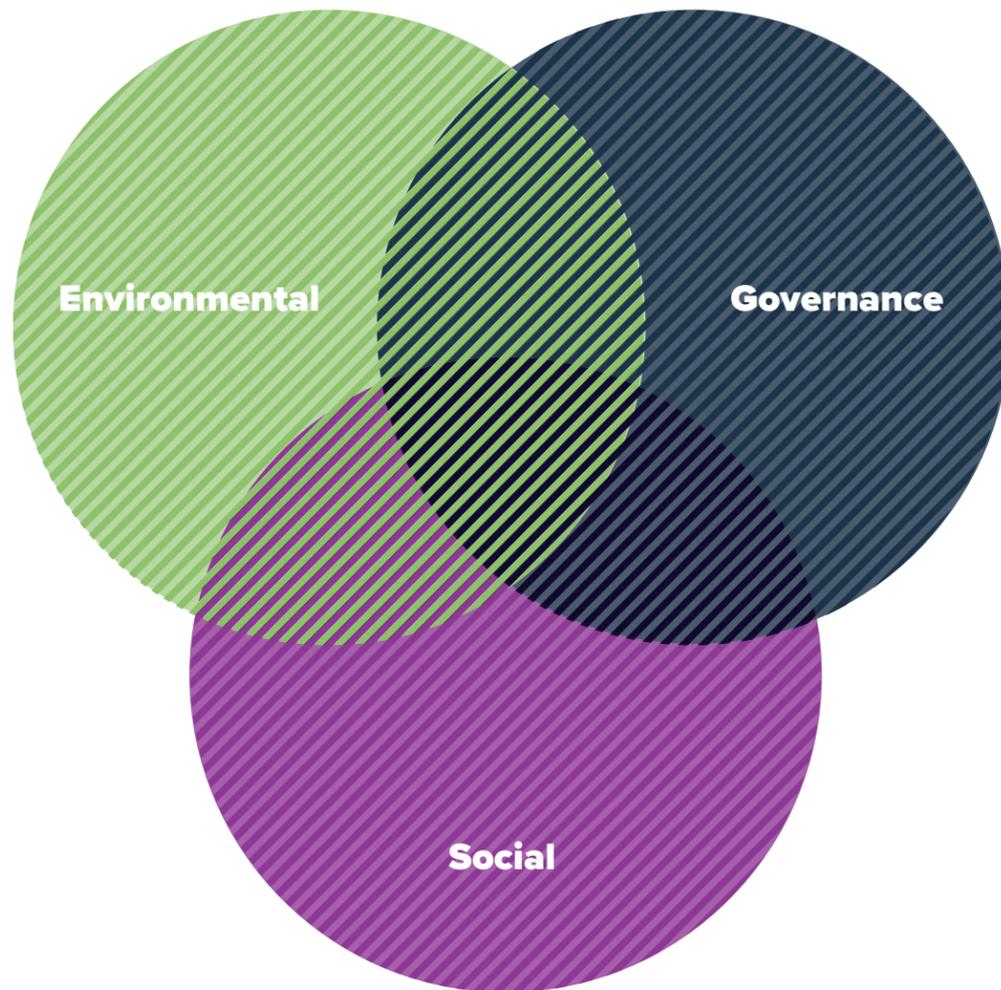
In our opinion, the path forward lies in transforming ESG from a function to a mindset.

While the hiring of ESG leadership and thought leaders in specific ESG sub-categories such as climate will continue, true ESG integration is only achievable if both investment and non-investment professionals across all asset classes and functions think ESG. This perceptual shift is what can position and empower ESG leadership to focus on strategic external and internal activities of profound impact.

In our experience, the most effective way to build an “ESG mindset” is to make ESG part of your vision, mission and culture. Embedding ESG into your company's values, beliefs, attitudes and behaviors will eventually shape and support the required culture change. While the endorsements of the Board, CEO and the executive team are key, companies must also cultivate organizational self-awareness relative to the existing culture and how it is experienced. With this in mind, here are a few best practices for elevating the stature, influence and impact of ESG integration within your organization:

- Communicate key ESG concepts regularly. Proactively identify opportunities for ESG integration through the steady exchange of ideas and information. Address ESG-related issues as they arise, immediately.
- Measure the impact of ESG integration. Highlighting what an ESG culture looks like provides employees with cues and benchmarks for how to practice it and what success looks like.
- Upskill all employees in the concept and practice of ESG as it relates to their area of specialty.
- Designate and empower individuals throughout the organization to address and communicate ESG topics on a consistent basis.
- Encourage all asset classes and functions to participate in industry forums.
- Make ESG a performance benchmark for assessing both leaders and individuals within the organization.

Developing a mindset is the direct result of consistent behavior. By giving ESG the organization-wide prominence and pride of place it deserves, the investment management industry can create a chain of positive impacts that will be felt by our companies, our people — and our planet — for years to come.





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Dominic is Senior Managing Director of the Leadership Consulting group at Ferguson Partners, based in the firm's Chicago office. His primary functional emphasis is CEO Advisory, and he currently works with numerous CEOs and Board Chairs on issues related to leadership development; talent strategy; executive team effectiveness; organizational design; and culture and diversity. He is also involved in the CHRO, Hospitality/Gaming and PE/REIM Practices at Ferguson Partners.

Dominic's approach to leadership development is underpinned by his experience managing Fortune clients, operating in multiple industries with C-Suite executives and developing internal and external talent. He has assessed over 1,000 senior leaders and coached more than 200 executives around the world. In addition to his executive development experience, Dominic has led internal learning and development programs for corporations and professional services firms, founded academic and leadership programs for institutions of higher education and lectured on crisis management and executive communication.

Prior to co-founding the Leadership Consulting group at Ferguson Partners, Dominic worked as a Managing Consultant in a global, boutique consulting firm, and before then he founded a leadership consultancy specializing in strategic thinking; group decision-making; ethical leadership; inclusion and diversity; and presentation and persuasion. He earned his Master's degree in Organizational Communication, Learning and Design and his Bachelor's degree in Psychology and Legal Studies from Ithaca College, which recognized him as one of its "Most Outstanding Alumni." Dominic also earned the Illinois Board of Higher Education's "Administrator of the Year" honor and has been publicly acknowledged by the CEOs he has coached for his contributions to their firms.

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Golnaz Yekrangian leads the North American Infrastructure Investment Practice, where she advises investor clients on senior investment, asset management/operating partners and distribution professional hires, as well as Board and executive team hires at the portfolio company level. As Senior Managing Director of Financial Services in Canada, Golnaz partners with investment management, investment banking/capital markets, banking and insurance clients on executive search, diversity and inclusion and leadership assessment opportunities. She is passionate about impact investing and ESG and its integration across the investment management and broader financial services sectors.

Most recently, Golnaz worked as a principal in Heidrick & Struggles' Global Financial Services Practice, where she focused on senior-level assignments across a number of financial services subsectors in the US and Canada, including investment management (infrastructure, private equity and asset management); investment banking; insurance; and retail banking. She completed numerous functional senior-level searches in the US and Canada for CEOs, financial officers, marketing and communications experts and data and analytics leaders. Golnaz also served as a panel participant in infrastructure-related industry forums and co-authored thought pieces on talent trends within the sector.

Golnaz earned her Bachelor's degree in Electrical-Telecommunications Engineering from Amir Kabir University of Technology (Tehran Polytechnic) and her MBA from Ivey Business School at Western University.

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